

**State of Michigan  
Department of Labor & Economic Growth  
Office of Financial and Insurance Services**

**Enforcement Actions  
October – December 2003**

<b>Name and Location</b>	<b>Enforcement Case No.</b>	<b>Type of License or Registration</b>	<b>Action Taken</b>	<b>Date of Action</b>	<b>Reason for Action</b>	<b>Type of Closure</b>	<b>Date Closed</b>	<b>Fines and Other Penalties</b>
American Residential Mortgage Corporation, Ortonville, MI	03-1834	Mortgage	Notice of Opportunity to Show Compliance	09/22/03	MCL 445.1657(2), Failure to submit financial statement	Consent Order	10/12/03	Civil Fine \$500 Late Penalty Fee \$1000
Appling, Linda Lansing, MI	03-1884	Mortgage	Notice of Opportunity to Show Compliance	10/31/03	MCL 445.1657(2), Failure to submit financial statement	Consent Order	12/01/03	Civil Fine \$500 Late Penalty Fee \$1,000
Bear, Stearns & Co., Inc. New York, NY	03-042-M*	Registered Broker Dealer	Consent to Entry of Administrative Order	09/23/03	MCL 451.604 Failure to establish, maintain or enforce written procedures	Consent Order	10/03/03	Civil Fine \$765,768.00
Bob Saks Dodge, Inc. Farmington Hills, MI	03-1170	Motor Vehicle	Notice of Opportunity to Show Compliance	04/20/03	MCL 492.101, Failure to provide an installment sale contract in writing	Consent Order	10/07/03	Civil Fine \$500
Capital Development, Inc. East Grand Rapids, MI	03-1886	Mortgage	Notice of Opportunity to Show Compliance	10/31/03	MCL 445.1657(2), Failure to submit financial statement	Consent Order	12/01/03	Civil Fine \$500 Late Penalty Fee \$1,000
Chase Preferred Capital Corporation New York, NY	03-1836	Mortgage	Notice of Opportunity to Show Compliance	10/03/01	MCL 445.1657(2), Failure to submit financial statement, MCL 493.56a(2), Failure to submit financial statement	Consent Order	11/17/03	Civil Fine \$1,000 Late Penalty Fee \$2,000
CitiGroup Global Markets, Inc. New York, NY	03-038-M*	Registered Broker Dealer	Consent to Entry of Administrative Order	09/03/03	MCL 451.604 Failure to establish, maintain or enforce written procedures	Consent Order	09/09/03	Civil Fine \$4,594,611

**Enforcement Actions**  
**October – December 2003**  
Page 2

<b>Name and Location</b>	<b>Enforcement Case No.</b>	<b>Type of License or Registration</b>	<b>Action Taken</b>	<b>Date of Action</b>	<b>Reason for Action</b>	<b>Type of Closure</b>	<b>Date Closed</b>	<b>Fines and Other Penalties</b>
Community Care Plan Grand Rapids, MI	03-1614	HMO	Notice of Opportunity to Show Compliance	09/04/03	MCL 500.2006, Failure to timely remit payment of clean health care claim	Consent Order	10/08/03	Civil Penalty \$100
Credit Suisse First Boston, LLC New York, NY	03-341-M*	Registered Broker Dealer	Consent to Entry of Administrative Order	09/04/03	MCL 451.604 Failure to establish, maintain or enforce written procedures	Consent Order	09/10/03	Civil Fine \$2,297,305
Darden, Michelle Detroit, MI	03-1157	Accident & Health, Multiple Lines Property & Casualty, Life	Notice of Opportunity to Show Compliance	02/27/03	MCL 500.1239(h), Conduct unbecoming an agent, 500.1207, Fiduciary violation	Final Decision	12/11/03	License Revocation
Davis, Denice F. Grosse Pointe Shores, MI	03-1531	Mortgage	Notice of Opportunity to Show Compliance	04/27/01	MCL 445.1671(3), Failure to submit annual report	Consent Order	10/02/03	Civil Fine \$500
First Residential Mortgage Network, Inc. Louisville, KY	03-1874	Mortgage	Proposed Settlement Agreement	10/13/03	MCL 445.1672, Failure to respond	Settlement Agreement	11/25/03	Market Conduct Fee \$500
Foundation Mortgage, Inc. Ann Arbor, MI	03-1878	Mortgage	Notice of Opportunity to Show Compliance	10/30/03	MCL 445.1658(2), Failure to submit financial statement	Consent Order	12/01/03	Civil Fine \$500 Late Penalty Fee \$1,000
Goldman, Sachs & Co. New York, NY	03-039-M*	Registered Broker Dealer	Consent to Entry of Administrative Order	09/02/03	MCL 451.604 Failure to establish, maintain or enforce written procedures	Consent Order	09/05/03	Civil Fine \$765,768
Grand Valley Health Plan, Inc. Grand Rapids, MI	03-1524	HMO	Notice of Opportunity to Show Compliance	08/27/03	MCL 500.438, Failure to respond	Consent Order	11/05/03	Market Conduct Fee \$500
Great Southern Life Ins. Company Dallas, TX	03-2327	Life and Health	Proposed Settlement Agreement	12/02/03	MCL 500.438, Failure to Respond	Settlement Agreement	12/16/03	Market Conduct Fee \$500

**Enforcement Actions**  
**October – December 2003**  
Page 3

<b>Name and Location</b>	<b>Enforcement Case No.</b>	<b>Type of License or Registration</b>	<b>Action Taken</b>	<b>Date of Action</b>	<b>Reason for Action</b>	<b>Type of Closure</b>	<b>Date Closed</b>	<b>Fines and Other Penalties</b>
Haley, Kairee L. Wyoming, MI	03-1839	Mortgage	Notice of Opportunity to Show Compliance	09/22/03	MCL 445.1657(2), Failure to submit financial statement	Consent Order	12/22/03	License Surrendered And respondent agrees to pay \$1000 late penalty and \$500 civil fine as a precondition to receiving a license in the future
HealthPlus of Michigan Flint, MI	03-1544	HMO	Notice of Opportunity to Show Compliance	08/14/03	MCL 500.3521, Charging rates not previously filed and approved	Consent Order	12/18/03	Market Conduct Fee \$1,500
Heritage Optical Center, Inc. Detroit, MI	03-1642	Alternative Financial Delivery Service	Notice of Opportunity to Show Compliance	09/26/03	MCL 500.3503, Performing claim payment services for a noninsured benefit plan	Consent Order	11/05/03	Market Conduct Fee \$500
Home Mortgages Unlimited, Inc. Detroit, MI	03-1880	Mortgage	Notice of Opportunity to Show Compliance	10/30/03	MCL 445.1657(2), Failure to submit financial statement	Consent Order	12/01/03	Civil Fine \$500 Late Penalty Fee \$1,000
Howard Hanna Financial Services, Inc. Pittsburgh, PA	03-1881	Mortgage	Notice of Opportunity to Show Compliance	10/30/03	MCL 445.1657(2), Failure to submit financial statement	Consent Order	12/18/03	Late Penalty Fee \$400
Innovative Consultants, Inc. Novi, MI 48375	03-1171	Mortgage	Notice of Opportunity to Show Compliance	05/20/03	MCL 445.1672(g) Failure to respond	Consent Order	10/03/03	Civil Fine \$2,000
J.P. Morgan Securities, Inc. New York, NY	03-340-M*	Registered Broker Dealer	Consent to Entry of Administrative Order	08/25/03	MCL 451.604 Failure to establish, maintain or enforce written procedures	Consent Order	08/28/03	Civil Fine \$765,768

**Enforcement Actions**  
**October – December 2003**  
Page 4

<b>Name and Location</b>	<b>Enforcement Case No.</b>	<b>Type of License or Registration</b>	<b>Action Taken</b>	<b>Date of Action</b>	<b>Reason for Action</b>	<b>Type of Closure</b>	<b>Date Closed</b>	<b>Fines and Other Penalties</b>
Lehman Brothers, Inc. New York, NY	03-307-M*	Registered Broker Dealer	Consent to Entry of Administrative Order	09/23/03	MCL 451.604 Failure to establish, maintain or enforce written procedures	Consent Order	10/03/03	Civil Fine \$765,768
Lexington Insurance Company Boston, MA	03-986	Surplus Lines	Notice of Opportunity to Show Compliance	08/21/03	MCL 500.438, Failure to Respond	Consent Order	12/18/03	Market Conduct Fee \$1,000
Mammoth Financial Services, Inc. Southfield, MI	03-1128	Mortgage	Notice of Opportunity to Show Compliance	03/31/03	MCL 445.1671, Failure to maintain books, failure to file annual report	Consent Order	10/21/03	Civil Fine \$3,000
McNenly, Peter Brighton, MI	03-2544	Security Agent	Consent Order to Impose Civil Penalty and Cease and Desist	11/22/02	MCL 440.408 Engaging in acts and practices constituting violations of the act	Consent Order	12/23/03	Civil Penalty \$2,500
Midwest Mortgage Company of Michigan White Lake, MI	03-1536	Mortgage	Notice of Opportunity to Show Compliance	04/27/01	MCL 445.1671(3), Failure to submit annual report	Consent Order	10/27/03	No Penalty
Mobility Financial, LLC Newburyport, MA	03-1840	Mortgage	Notice of Opportunity to Show Compliance	09/22/03	MCL 445.1657(2), Failure to submit financial statement	Consent Order	10/12/03	Civil Fine \$500 Late Penalty Fee \$1,000
Morgan Stanley & Co. Inc. New York	03-035-M*	Registered Broker Dealer	Consent to Entry of Administrative Order	09/11/03	MCL 451.604 Failure to establish, maintain or enforce written procedures	Consent Order	09/22/03	Civil Fine \$765,768
Morgan Stanley Dean Witter Credit Corporation Riverwoods, IL	03-1356	Mortgage	Notice of Opportunity to Show Compliance	07/25/03	MCL 445.1672, Failure to respond	Settlement Agreement	12/17/03	Market Conduct Fee \$500
Mortgage Solutions of Michigan Saline, MI	03-1841	Mortgage	Notice of Opportunity to Show Compliance	09/22/03	MCL 445.1657(2), Failure to submit financial statement	Consent Order	10/14/03	Civil Fine \$500 Late Penalty Fee \$1,000

**Enforcement Actions**  
**October – December 2003**  
Page 5

<b>Name and Location</b>	<b>Enforcement Case No.</b>	<b>Type of License or Registration</b>	<b>Action Taken</b>	<b>Date of Action</b>	<b>Reason for Action</b>	<b>Type of Closure</b>	<b>Date Closed</b>	<b>Fines and Other Penalties</b>
Nationwide Lending Corporation Irvine, CA	03-1882	Mortgage	Notice of Opportunity to Show Compliance	10/30/03	MCL 445.1657(2), Failure to submit financial statement MCL 493.56a(2), Failure to submit financial statement	Consent Order	12/01/03	Civil Fine \$1,000 Late Penalty Fee \$2,000
Pontiac First Mortgage LLC Pontiac, MI	03-1842	Mortgage	Notice of Opportunity to Show Compliance	10/30/03	MCL 445.1657(2), Failure to submit financial statement	Consent Order	12/01/03	Civil Fine \$500 Late Penalty Fee \$1,000
Robinson, Capus V. Mt. Morris, MI	03-1158	Accident & Health, Life, Multiple Lines Property & Casualty	Notice of Opportunity to Show Compliance	02/11/03	MCL 500.1239(h), Conduct unbecoming an agent, 500.1207, Fiduciary violation; 500.1201, Unauthorized representation	Final Order	10/22/03	License Revocation Restitution
Select Mortgage, LLC Kal F. Khalil; Tariq Hamed Brownstown Twp., MI	03-1344	Mortgage	Notice of Intent to Issue Order of Prohibition	09/04/03	MCL 445.1672(a), Failure to conduct business in accordance with the law	Final Decision	12/12/03	Disposition by default. Respondents Kal F. Khalil and Tariq Hamed are prohibited from being employed, or a licensee or registrant under the financial licensing act.
Sokol, Gregory Farmington Hills, MI	03-2154	Accident & Health, Life, Limited and Multiple Lines Property & Casualty	Proposed Consent Order	12/11/03	MCL 500.1239(h), Conduct unbecoming an agent, 500.1207 Fiduciary violation	Consent Order	12/18/03	License Revocation
Southwell, Judy A. Afton, MI	03-1810	Accident & Health, Multiple Lines Property & Casualty	Proposed Consent Order	10/01/03	MCL 500.1239(h), Conduct unbecoming an agent, 500.1207, Fiduciary violation	Consent Order	10/01/03	License Revocation

**Enforcement Actions**  
**October – December 2003**  
Page 6

<b>Name and Location</b>	<b>Enforcement Case No.</b>	<b>Type of License or Registration</b>	<b>Action Taken</b>	<b>Date of Action</b>	<b>Reason for Action</b>	<b>Type of Closure</b>	<b>Date Closed</b>	<b>Fines and Other Penalties</b>
Trade Partners, Inc. Grand Rapids, MI	03-1525	Securities	Consent Order to Cease & Desist	07/09/03	MCL 451.501, Unregistered agent	Cease & Desist Order	12/18/03	Civil Penalty \$10,000
U.S. Bancorp Piper Jaffray, Inc. Minneapolis, MN	03-043-M*	Registered Broker Dealer	Consent to Entry of Administrative Order	08/29/03	MCL 451.604 Failure to establish, maintain or enforce written procedures	Consent Order	09/05/03	Civil Fine \$382,844
UBS Warburg LLC Stamford, Conn	03-036-M*	Registered Broker Dealer	Consent to Entry of Administrative Order	08/27/03	MCL 451.604 Failure to establish, maintain or enforce written procedures	Consent Order	09/11/03	Civil Fine \$765,768.00
Venus Financial Group, Inc. Grand Rapids, MI	03-1528	Mortgage	Notice of Opportunity to Show Compliance	04/27/01	MCL 445.1671(3), Failure to submit annual report	Consent Order	10/02/03	Civil Fine \$500
Wall Street Financial, Inc. Mt. Clemens, MI	03-1883	Mortgage	Notice of Opportunity to Show Compliance	10/30/03	MCL 445.1657(2), Failure to submit financial statement	Consent Order	12/01/03	Civil Fine \$500 Late Penalty Fee \$1,000

\* Case was settled as part of the Securities Global Investor Analyst investigation.